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C O N F I D E N T I A L SECTION 01 OF 03 MOSCOW 005458

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TAGS: [PREL](#) [PGOV](#) [ENRG](#) [IR](#) [AJ](#) [AM](#) [GG](#) [BO](#) [UP](#) [RS](#)
SUBJECT: AMBASSADOR'S MAY 23 MEETING WITH DFM KARASIN

REF: MOSCOW 5375

Classified By: Ambassador William J. Burns. Reason 1.4 (b, d)

Summary

¶1. (C) Ambassador met with DFM Karasin May 23. Karasin was to leave later that day for a Nagorno-Karabakh trip. He hoped to be pleasantly surprised. With regard to U/S Burns' letter on South Ossetia, Karasin stressed positive movement and labeled the rest a matter of interpretation, but argued that the referendum in Montenegro is "bad news" for Georgia. He hopes to see U/S Burns at a working lunch/meeting on the afternoon of June 6.

¶2. (C) Karasin asked for U.S. thinking on Iran. Ambassador warned that Iran still believes it can exploit gaps in the international consensus. Karasin complained that the U.S. sponsored counter-narcotics conference in Dushanbe had undercut "existing structures" which must be preserved. Ambassador warned that if Ahmadi-Najad attends the SCO summit, statements made there will be even more sharply scrutinized by the international community. Karasin called the Iranian attendance an "opportunity." Karasin said he had made some progress on "overseas Russians" in his recent visit to Vilnius. He argued for "involvement" with Belarus, not sanctions. He expected a Ukrainian government to form in June, followed by ministerial-level meetings in July and a potential Putin visit in September. End Summary.

Nagorno-Karabakh

¶3. (C) Ambassador met with DFM Grigoriy Karasin May 23, just before the latter's departure for Baku and Yerevan for a visit with EUR Assistant Secretary Fried and a French representative to discuss Nagorno-Karabakh. Karasin said the most notable feature of the trip is that the U.S., Russia and France were working together to convince the presidents of Armenia and Azerbaijan to be flexible and show political will. He did not want to sound optimistic, but hoped for a pleasant surprise that would secure the meeting of the presidents at a separate event in Bucharest. This could clear the way for an event at the St. Petersburg G8, even without a breakthrough. One could "spend an entire lifetime" working on the "jigsaw puzzle" of details, but the whole exercise provided a positive picture that we, working together, can have a positive influence on conflict resolution.

Burns-Karasin Letter

¶4. (C) Karasin said he would send a written reply to U/S Burns. He echoed earlier Russian views (Ref. A), saying "many things" in the letter were "a bit inaccurate" and others a matter of interpretation. He said that social and

economic assistance from Russia to South Ossetia via North Ossetia was agreed between Georgia and Russia in December 2000. He stressed the positive: a "successful" JCC on May 11-12 was important for the specific actions it agreed on. The June donors' conference in Brussels would be another step. The important thing was to move slowly and steadily, avoiding provocations and military action. In this respect, he said, some statements Khaindrava had made at the JCC were "a bad sign." But the "logic of moving ahead is prevailing," and there had been good news from Abkhazia as well. He argued that SRS Tagliavini should stay on.

15. (C) Ambassador replied that our concerns continue. The specifics in U/S Burns' letter come within a context of public statements by senior Russian government officials implying that separatism is a logical, acceptable and even desirable outcome. People "connect the dots" of Russian statements and actions, including the insistence of using Kosovo as a precedent. Karasin broke in to say, "Montenegro is bad news for Saakashvili. It will change the mentality." Ambassador continued that Karasin needed to understand the core of our concerns: economic and other cooperation would be fine if it were clear that none of Russia's actions were aimed at undermining Georgia's territorial integrity. That would also make it easier for the U.S. to be pointed with Georgia about its sometimes unhelpful rhetoric and actions. Karasin responded that this was a "chicken-and-egg" problem.

16. (C) Karasin added that he also needed to correct the impression, given in U/S Burns' letter, that frozen conflicts and Belarus would be on the G8 Summit agenda. If things go right on Nagorno-Karabakh, that conflict would be, he said. Ambassador pointed out that the letter discussed the agenda for the Ministerial, not the Summit. Karasin gave no direct

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reply. He said he understood that U/S Burns will be arriving on June 6, and proposed a working lunch and meeting that afternoon. He thought he might not be in Moscow June 7.

Iran

17. (C) Karasin asked for Ambassador's perspective on Iran. Ambassador replied that it is crucial to send a strong, unified, international signal to Tehran; otherwise, the Iranians will continue to think they can exploit gaps in the international consensus. Karasin agreed it is important that the Iranians understand that we are listening to one another and that they cannot play off the "major players" against one another. He added, however, that "we should exclude all thought and plans of use of force." He noted that Azerbaijan is concerned about the prospect of use of force against Iran.

18. (C) Karasin took the opportunity to complain about the U.S.-organized Central and South Asian Counter-Narcotics and Security Working Group meeting (Ref. B) that took place in Dushanbe earlier this month (to which Iran was not invited). It would duplicate existing structures, exclude major players such as Russia and China, and turn Central Asia into a Great Power battleground. The Ambassador rebutted Karasin's concerns, emphasizing that counter-narcotics was an important practical concern for all of us.

19. (C) Ambassador indicated that Iranian President Ahmadi-Najad's presence would be a very negative factor at the upcoming Shanghai Cooperation Organization summit. With him there, what gets said and done will be watched extremely carefully. If, for example, the SCO again made statements about U.S. bases, those statements would be "sharpened" by his presence, especially given his propensity for dangerous and offensive public statements. We would prefer that members would avoid bilateral contacts. Karasin replied that "your concerns are duly noted," but hoped that the U.S. has a "level of confidence" that the participants will influence the proceedings in a positive way. No one is interested in

turning South Asia and Central Asia into a conflict zone. Karasin believed the opportunity for Asian states to communicate with Ahmadi-Najad was positive.

Baltics-Belarus-Ukraine

¶10. (C) Karasin thought he had made some headway in his recent meeting in Vilnius with 60 ethnic Russian organizations from throughout the Baltics. He had proposed to the Latvians that they make a gesture by waiving the Latvian language requirement for citizenship for those over ¶60. He had also proposed steps to promote the Russian language, since it was the "lingua franca" of the Baltics. He hoped the U.S. might "gently press" the Baltics to create a "more positive" atmosphere in their relations with Russia. Ambassador noted that where there have been valid specific concerns, the U.S. has done so.

¶11. (C) Asked about Belarus, Karasin said he believed engagement is the best strategy. Sanctions would only strengthen the "moral and political unity of the people around the leader," to quote a Soviet saying. Karasin doubted that democracy could be imposed from outside. Russia would continue its contacts and help Belarus understand why the international community is unhappy with it. Ambassador suggested that Russia might propose to Belarus specific steps it needs to take, now that the election is history. Lukashenko's reputation is well known. Karasin responded that that is the fault of Western "information authorities." Ambassador said that Lukashenko's reputation is well beyond the power of even the most artful public diplomacy to improve. Russia, which has influence, should persuade Belarus to take concrete steps to open up political space and respond to international concerns. Karasin proposed that the U.S. and Russia understand where each stands. He fretted that Belarus has taken on the mentality of a cornered nation, which makes progress problematic.

¶12. (C) At the same time, Karasin continued, it was important that "market rules" apply in Russia's relations with all its neighbors, including in the field of energy. There could be "compensation packages" in deals with RAO UES and Gazprom to make the pill easier to swallow, but "the price of gas and oil must be predictable and market-priced." There could be no exceptions among Russia's neighbors. Special relations and deals might make this goal difficult, but it was important for the sake of Russia's relations with its neighbors.

¶13. (C) Karasin had little to report on Ukraine. He hoped there would be a government in June. That meant the

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ministerial-level sub-groups of the "Putin-Yushchenko Commission" could meet in July, with participation of the new Ukrainian interlocutors for the Prime, Defense and Foreign Affairs Ministers. August would be "silly season," but enough work might be done before then to justify a well-prepared Putin visit to Kiev in September. Karasin stressed, however, that the decision on timing was a Kremlin call.

BURNS